



HOUSING AND COMMUNITIES COMMITTEE	AGENDA ITEM No: 2.4 (xiii)
09 NOVEMBER 2020	PUBLIC REPORT Appendix 1 to this report is exempt from publication because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act. It is considered that the public interest in maintaining the exemption would outweigh the public interest in disclosing the information.

**£100M AFFORDABLE HOUSING PROGRAMME SCHEME APPROVALS
(NOVEMBER 2020) - HIGH STREET, NEEDINGWORTH, HUNTS,
CAMBRIDGESHIRE.**

1.0 PURPOSE

- 1.1. As part of the Devolution Deal, the Combined Authority successfully secured £100 million from Government to deliver 2,000 affordable homes across Cambridgeshire and Peterborough.
- 1.2. This report provides the Committee with one scheme for approval of grant funding in the context of the overall investment pipeline for the Combined Authority's £100m programme.
- 1.3. **To request approval to a grant from the Combined Authority's Affordable Housing Programme of £1,775,000 for 45 additional affordable homes comprising 20 affordable rent and 25 shared ownership units on Land at the rear of High Street, Needingworth, Huntingdonshire.**

<u>DECISION REQUIRED</u>	
Lead Member:	Councillor Chris Boden, Lead Member for Housing and Chair of Housing and Communities Committee
Lead Officer:	Roger Thompson, Director of Housing and Development
Forward Plan Ref: 2020/062	Key Decision: Yes

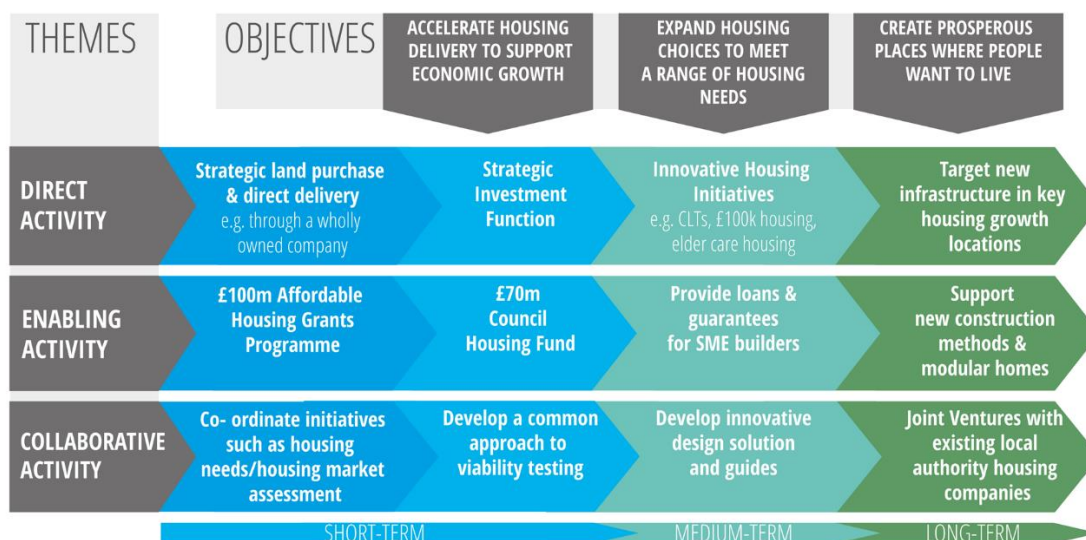
<p>The Housing and Communities Committee is recommended to:</p> <p>(a) Commit grant funding of £1,775,000 from the £100m Affordable Housing programme to enable delivery of 45 additional affordable homes, with a mix of rented and shared ownership homes at Land rear of High Street, Needingworth. Huntingdonshire - Subject to confirmation of the release of balancing monies for the £100m programme from BEIS & MHCLG.</p>	<p>Voting arrangements:</p> <p>Simple majority of all Members</p>
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2. BACKGROUND

- 2.1. The Mayor and the Combined Authority are committed to accelerating affordable housing delivery to meet local and UK need and support economic growth in the region.

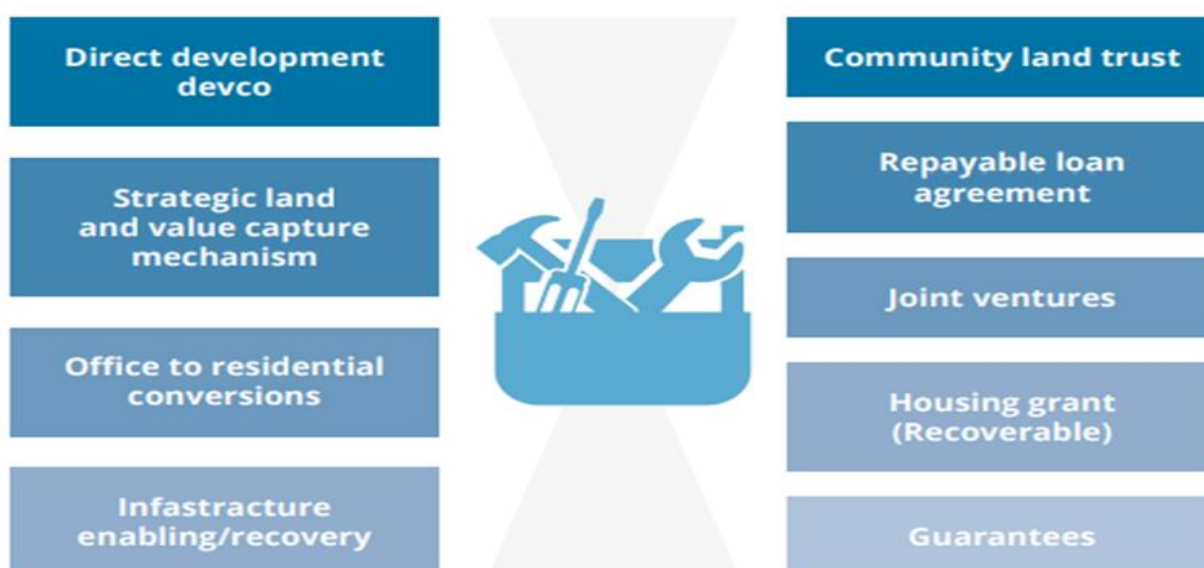
Combined Authority Housing Programme

- 2.2. In 2017, the Combined Authority successfully negotiated £170 million from Government for delivery of an ambitious housing programme providing 2,500 new affordable homes by March 2022.
- 2.3. Within this programme, £100 million is available to be used across the Combined Authority area to deliver 2,000 affordable homes and £70m is available to Cambridge City Council to deliver 500 new council homes.
- 2.4. The Housing and Development Team at the Combined Authority is working with officers in all partner local authorities (via the Cambridgeshire and Peterborough Housing Committee) to identify new schemes to come forward for support from the Affordable Housing Programme. The Team is also building relationships with landowners, developers, and housing providers to seek opportunities to influence, enable and accelerate delivery of new affordable housing across the Combined Authority area.
- 2.5. The Combined Authority Housing Strategy was approved by the Board in September 2018 and included three core objectives as illustrated in the figure overleaf:



2.6. The Housing Strategy also approved a flexible multi toolkit approach as the most effective way of accelerating affordable housing delivery. The use of grant as a tool to help unlock sites and deliver additional affordable housing is one of these tools:

A flexible multi-toolkit approach



2.7. Full performance updates relating to the programme are presented to the Housing and Communities Committee at every meeting. Both the £100m & £70m programmes (within the overall £170m programme) are on track to achieve their targets by March 2022.

3. PROPOSED SCHEME FOR APPROVAL

HIGH STREET, NEEDINGWORTH, HUNTS, CAMBRIDGESHIRE

- 3.1. This proposal is to enable 45 additional affordable homes to be developed in Huntingdonshire. The site is to the rear of the High Street in Needingworth and is a greenfield site. Cross Keys Homes Limited acquired the freehold of the site in January 2020.
- 3.2. Outline planning consent was granted by Huntingdonshire District Council on 25th April 2019 under ref: 18/01073/OUT. No planning conditions have yet been discharged.
- 3.3. The site development is due to start Q1 2021/2022 with completion programmed by Q4 2022/2023.
- 3.4. The rents will be capped at LHA rates or 80% of market rent rates, to ensure affordability.

Figure 1: Rear of High Street, Needingworth. (Google Maps)



Figure 2: Possible Access to Rear of High Street. (Google Maps)



3.5. The size of units is noted below. They are in line with HDC planning policy guidance in relation to Nationally Described Space Standards (NDSS):

Description/ Type of unit	Number of Units	Size (sqm)	NDSS Standard (sqm)	Meets NDSS	% of NDSS ¹
AFFORDABLE RENT					
2 x 2b/4p bungalow	2	67	70	N	96%
1 x 2b/4p bungalow M4 compliant	1	74	70	Y	106%
9 x 2b/4p houses	9	75	79	N	95%
7 x 3b/5p houses	7	88	93	N	95%
1 x 4b/6p houses	1	100	106	N	94%
SHARED OWNERSHIP					
6 x 2b/4p houses	6	75	79	N	95%
17 x 3b/5p houses	17	88	93	N	95%
2 x 4b/6p houses	2	100	106	N	94%
Total	45				

About Cross Keys Homes

- 3.6. Cross Key Homes are based in Peterborough. Cross Key Homes cover a wide area, in and around Peterborough and beyond. CKH is one of the main providers of affordable housing in the CPCA region.
- 3.7. Currently Cross Key Homes have several sites with CPCA and they work closely with to ensure they provide good quality housing in and across the region.
- 3.8. The Housing Enabling Officer for Huntingdonshire District Council is supportive of bringing forward this site and is supportive of the request for grant funding. The development will provide value for money and the tenure mix is proposed to comprise 55% shared ownership and 45% affordable rented housing.

Additionality / Case for Combined Authority funding

3.9. The proposed scheme offers the following additionality:

- The CPCA is happy to offer support for an additional 45 units for affordable rent and shared ownership in Huntingdonshire as part of the CPCA 2000 homes target.
- **The scheme comprises 100% affordable housing as a 'windfall' site with no market housing.**

Proposed Conditions of Grant Approval

3.10. It is recommended that the grant of £1,775,000 is approved to enable delivery of 45 new affordable rented and shared ownership homes within the CPCA region subject to the following conditions:

After execution of the grant funding agreement but pre draw-down of phased grant payments by way of two (2) instalments:

- i. To provide grant draw down, once **start on site** has been confirmed.
- ii. To provide grant draw down once **practical completion** has been evidenced.

4. FINANCIAL IMPLICATIONS

- 4.1. The applicant has provided a scheme Business Case and its supporting documentation, attached as an exempt Appendix 1 to this paper.
- 4.2. Supporting this application will approve grant of £1,775,000 from the Affordable Housing Programme at an average grant rate of £39,444 per unit.
- 4.3. The impact on this funding on the programme is set out below: -

	Number Schemes Approved	Number of Affordable Units Funded	CPCA Funding Committed £
Total before Nov 2020 Committee	33	1,536	39,698,271
PROPOSED SCHEME FOR NOVEMBER 2020 COMMITTEE APPROVAL			
9-17 HAWES LANE, WICKEN, EAST CAMBRIDGESHIRE.	1	16	640,000
MORE'S MEADOW, GREAT SHELFORD, SOUTH CAMBRIDGESHIRE	1	21	1,008,000
ALL ANGELS PARK, HIGHFIELDS, CALEDNOTE	1	5	247,999
SPRINGFIELD AVENUE, MARCH	1	32	1,560,000
SANDPIT ROAD, THORNEY, PETERBOROUGH	1	5	237,804
BRITISH SUGAR WAY, PETERBOROUGH	1	74	3,040,000
PETERBOROUGH HUSK SITES	1	19	665,000
PERKINS SITE - PHASE 2	1	96	3,740,000
OLD MOTEL SITE, 16 NORTH STREET, STILTON.	1	10	420,000
STATION ROAD, LITTLEPORT, ELY.	1	39	1,448,000

FORMER EAST ANGLIA GALVANISING WORKS, OUNDLE ROAD, PETERBOROUGH	1	77	3,830,725
NORTH END, MELDRETH, SOUTH CAMBS	1	14	630,000
LAND OF REAR OF HIGH STREET, NEEDINGWORTH	1	45	1,775,000
Total Affordable Housing Grants if approved by Board	46	1,989	58,940,799

Affordable Housing:
AVERAGE GRANT
RATE PER UNIT* £29.6k

Maximum Net Loan
Value

Loan & Toolbox capital committed (from £40m revolving fund)	5	53	39,846,817
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Total Loan Value Excluding repayments £51.1m

TOTAL IF NOV 2020 SCHEME IS APPROVED	51	2,042	98,787,616
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5. LEGAL IMPLICATIONS

- 5.1. The recommendation accords with CPCA's powers under Part 4 Article 11 of the Cambridgeshire and Peterborough Combined Authority Order 2017 (SI 2017/251).
- 5.2. The meeting shall be conducted in accordance with Parts 2 and 3 of the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020.

6. APPENDICES

Appendix 1 – Exempt from publication - Business Case including supporting evidence.

<u>Background Papers</u>	<u>Location</u>
Housing Strategy September 2018	CA Board September 2018